

Message Text

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73

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SAM-01 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-03 H-03 INR-11 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 FEA-02 DRC-01 /198 W
----- 091792

R 101752Z SEP 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7437

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS EC BRUSSELS 6923

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, AAC

SUBJECT: PROPOSED INCREASE IN 1974/75 CAP SUPPORT PRICES

REF: (A) EC BRUSSELS 6756; (B) EC A-278

1. BEGIN SUMMARY: THE COMMISSION HAS SUBMITTED TO THE COUNCIL
PROPOSALS FOR AN AVERAGE 4 PERCENT UPWARD ADJUSTMENT IN ALL 1974/
75 CAP SUPPORT PRICES. THE PROPOSED GUIDE PRICE FOR SOYBEANS IS

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INCLUDED IN THE COVERAGE OF THE PROPOSED 4 PERCENT INCREASE.
THE COMMISSION PROPOSALS ALSO INCLUDE A NUMBER OF SPECIAL MEASURES

SUCH AS A 7.5 PERCENT DEVALUATION OF THE "GREEN POUND" (BRITISH AND IRISH). THE COUNCIL WILL BEGIN CONSIDERATION OF THE PROPOSALS ON SEPTEMBER 17 FOLLOWING CONSIDERATION BY THE PARLIAMENT ON SEPTEMBER 16. END SUMMARY.

2. AT ITS SEPTEMBER 3 MEETING, THE EC COUNCIL OF AGRICULTURAL MINISTERS, AFTER FAILING TO REACH DECISIONS ON MEASURES TO ALLEVIATE THE AGRICULTURAL SITUATION, REQUESTED THAT THE COMMISSION COME FORWARD WITH EARLY FORMAL PROPOSALS FOR THE SEPTEMBER 17 COUNCIL MEETING (REF.A). IN RESPONSE, ON SEPTEMBER 9 THE EC COMMISSION SUBMITTED TO THE COUNCIL FORMAL PROPOSALS FOR AN AVERAGE INCREASE OF 4 PERCENT IN THE 1974/75 CAP SUPPORT PRICES. THE COMMISSION ALSO INCREASED BY 4 PERCENT THE PROPOSED 1974/75 GUIDE PRICE FOR SOYBEANS. THE COMMISSION SUGGESTS THAT THE PROPOSED ADJUSTMENTS IN THE 1974/75 PRICES, IF ADOPTED BY THE COUNCIL, BE EFFECTIVE ON OCTOBER 1, 1974 (EXCEPT FOR WINE IN WHICH CASE THE COMMISSION PROPOSED AN EFFECTIVE DATE OF DECEMBER 16).

3. THE PROPOSED NEW SUPPORT PRICES AND SUBSIDIES FOR INDIVIDUAL PRODUCTS ARE THE FOLLOWING:

	1974/75	1974/75
	(PROPOSED)	(CURRENT)
	(--- U.A./MT ---)	

PRODUCT

SOFT WHEAT:

TARGET PRICE	126.71	121.84
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BASIC INTERVENTION PRICE	112.01	110.03
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DURUM:

TARGET PRICE	190.14	182.83
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SINGLE INTERVENTION PRICE	173.50	166.83
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GUARANTEED MINIMUM PRICE	203.50	196.83
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RYE:

TARGET PRICE	123.80	119.04
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SINGLE INTERVENTION PRICE	105.91	101.84
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BARLEY:

TARGET PRICE	114.97	110.55
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SINGLE INTERVENTION PRICE	112.01	96.60
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(NOTE: THE PROPOSED PRICE IS APPARENTLY INCORRECT.)

CORN:

TARGET PRICE	113.83	109.45
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SINGLE INTERVENTION PRICE	93.13	89.55
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RICE:

TARGET PRICE (BROWN RICE)	235.00	226.00
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INTERVENTION PRICE (PADDY)	142.00	136.55
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RAPESEED:

TARGET PRICE	228.00	219.00
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INTERVENTION PRICE	221.00	212.70
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SUNFLOWERSEED:

TARGET PRICE	234.50	225.40
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INTERVENTION PRICE	227.50	218.90
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SOYBEANS:

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GUIDE PRICE (PROPOSED)	231.00	222.00
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SUGAR (WHITE):

TARGET PRICE	276.10	265.50
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BASIC INTERVENTION PRICE	262.30	252.20
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SUGARBEETS:

BASIC MINIMUM PRICE	19.59	18.84
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MILK:

TARGET PRICE	139.50	134.10
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BUTTER INTERVENTION PRICE:

ORIGINAL EC	1,820.00	1,760.00
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U.K.	1,081.00	1,048.90
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DENMARK	1,782.60	1,724.00
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IRELAND	1,689.60	1,634.00
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SKIM MILK POWDER:

INTERVENTION PRICE	830.00	790.00
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CHEESE INTERVENTION PRICES:

GRANO- PADANO (AGED 30 - 60 DAYS)	1,815.00	1,755.00
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GRANO-PADANO (AGED 6 MONTHS)	2,129.00	2,066.00
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PARMESAN	2,299.00	2,236.00
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GROWN CATTLE-ORIENTATION PRICE:

ORIGINAL EC AND DENMARK	1,000.00	965.00
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U.K., IRELAND	855.00	820.00
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CALVES - ORIENTATION PRICE:

ORIGINAL EC AND DENMARK	1,170.00	1,130.00
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U.K., IRELAND	1,000.00	960.00
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PORK:

BASE PRICE	970.00	930.00
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OLIVE OIL:

PRODUCER TARGET PRICE	1,426.50	1,371.70
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MARKET TARGET PRICE	1,005.00	950.00
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INTERVENTION PRICE	932.50	877.50
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DEHYDRATED FODDER:

SUBSIDY 6.25 6.00

COTTONSEED SUBSIDY (U.A./HA): 86.95 83.60

FLAX SUBSIDY (U.A./HA):

U.K. 95.70 92.00

OTHER EC 166.40 160.00

HEMP SUBSIDY (U.A./HA): 140.40 135.00

4. FOR THE VARIOUS TOBACCO VARIETIES, THE COMMISSION PROPOSED AN AVERAGE INCREASE OF 4 PERCENT IN THE STANDARD AND INTERVENTION PRICES.

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5. THE COMMISSION ALSO PROPOSED A SERIES OF " SPECIAL MEASURES" TO BOLSTER AGRICULTURAL INCOMES. THESE PROPOSED SPECIAL MEASURES INCLUDE A 7.5 PERCENT DEVALUATION OF THE " GREEN BRITISH AND IRISH POUNDS" (WHICH WOULD INCREASE CAP SUPPORT PRICES IN THE U.K. AND IRELAND BY 7.5 PERCENT IN ADDITION TO THE 4 PERCENT INCREASE) AND CHANGES IN THE SYSTEM OF MONETARY COMPENSATORY AMOUNTS (SEE REF. B).

6. THE COMMISSION PROPOSALS WILL BE DISCUSSED BY THE EUROPEAN PARLIAMENT ON SEPTEMBER 16 AND BY THE EC COUNCIL OF AGRICULTURAL MINISTERS IN ITS MEETING BEGINNING SEPTEMBER 17.

7. IF THE COUNCIL DOES DECIDE ON AN INCREASE IN THE 1974/75 SUPPORT PRICES, IT WOULD BE THE FIRST TIME IN THE HISTORY OF THE CAP THAT ANNUAL SUPPORT PRICE LEVELS, ONCE ESTABLISHED, HAVE BEEN REVISED IN MID-SEASON.
GREENWALD

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